AN ORDINANCE WHEREBY THE TOWN OF ANNETTA SOUTH, TEXAS, AND THE TEXAS ELECTRIC SERVICE COMPANY AGREE THAT THE TEXAS ELECTRIC SERVICE COMPANY SHALL CONTINUE TO ERECT AND MAINTAIN ITS ELECTRIC LIGHT AND POWER LINES WITH ALL NECESSARY OR DESIRABLE APPURTENANCES (INCLUDING UNDERGROUND CONDUITS, POLES, TOWERS, WIRES AND TRANSMISSION LINES) AND THE TOWN GRANTS ITS CONSENT FOR THE USE OF ITS PRESENT AND FUTURE STREETS, ALLEYS, HIGHWAYS, AND PUBLIC GROUNDS IN SAID TOWN, UNDER REGULATIONS AND RESTRICTIONS AS STATED THEREIN AND THAT THE TOWN OF ANNETTA SOUTH, TEXAS, SHALL RECEIVE AN ANNUAL PAYMENT FOR SAME, ALL AS THEREIN PROVIDED.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF ANNETTA SOUTH, TEXAS:

SECTION 1: That the Town of Annetta South, Texas herein called "Town" hereby grants its consent to the use of its present and future streets, alleys, highways, and public grounds by Texas Electric Service Company, its successors and assigns, herein called "Company" for the purposes of constructing, maintaining and operating in, along, under and across the present and future streets, alleys, and public places of the Town of Annetta South, Texas, and its successors, electric light and power lines, with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires and transmission lines, and telegraph and telephone lines for its own use) for the purpose of supplying electricity to the said Town, the inhabitants thereof and personsand corporations beyond the limits thereof, for light, heat, power and other purposes; said consent being granted for a term of fifty (50) years from the date this Ordinance is adopted and approved.

SECTION 2: Poles or towers shall be so erected as not to unreasonably interfere with traffic over streets and alleys.

SECTION 3: Company's property and operations in the Town shall be subject to such regulation by the Town as may be authorized by applicable law, and as may be reasonably necessary for the protection of the general public.

SECTION 4: Company shall hold the Town harmTess from all expense or liability for any act or neglect of the Company hereunder.

SECTION 5: In consideration of the grant of said privilege and franchise by the Town and as full payment for the privilege of using and occupying the streets, alleys, highways, easements, parks and other public places within the Town, and in lieu of

any and all occupation taxes, easements, and franchise taxes (whether levied as an ad valorem, special or other character of tax), and in lieu of license and inspection fees or charges, street taxes, street or alley rentals and of all other taxes, charges, levies, fees and rentals of whatsoever kind and character which the Town may impose or hereafter be authorized or empowered by law to levy and collect, excepting only the usual general or special ad valorem taxes which the Town is authorized to levy and impose upon real and personal property, the Company (Texas Electric Service Company and its assigns) shall pay to the Town of Annetta South, Texas, annually and on or before March 15 of each year during the term hereof beginning for an amount equivalent to three (3) percent of the gross revenues received by the Company, its successors and assigns during the preceding year from sales of electricity within the corporate limits of said Town. On or before the 15th day of March of each year a report shall be filed with the Town by the Company showing its gross revenues as aforesaid for the preceding calendar year, and the payment made hereunder shall be based upon said report.

SECTION 6: Nothing herein contained shall ever be held or construed to confer upon the Company exclusive rights or privileges of any nature whatsoever.

SECTION 7: This Ordinance shall be cumulative and in addition to the other permits and franchises granted and ordinances owned, held or claimed by the Company provided, however, that all ordinances or parts of ordinances that conflict herewith are hereby repealed.

SECTION 8: This Ordinance shall not become effective until the Company has accepted the same in writing. Said acceptance shall be given to the Town by the Company within 30 days after final passage hereof.

ADOPTED AND APPROVED THIS THE 644 DAY OF 526.
A.D., 1979.

Mayor of the Town of Annetta South, Texas

ATTEST:

Town Secretary